

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)	
)	
Amendment of Part 90 of the Commission's)	
Rules to Facilitate Future Development)	PR Docket No. 93-144
of SMR Systems in the 800 MHz Frequency)	RM-8117, RM-8030
Band)	RM-8029
)	
Implementation of Sections 3(n) and 322)	
of the Communications Act Regulatory)	GN Docket No. 93-252
Treatment of Mobile Services)	
)	
Implementation of Section 309(j))	
of the Communications Act --)	PP Docket No. 93-253
Competitive Bidding)	

To: The Commission

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**COMMENTS OF
CENTENNIAL TELECOMMUNICATIONS, INC.**

Centennial Telecommunications, Inc. ("CTI"), pursuant to Section 1.415 of the Federal Communications Commission's ("FCC" or "Commission") rules and regulations and by counsel, respectfully submits its Comments to the Second Further Notice of Proposed Rule Making ("Second Further Notice") in the above-styled proceeding.¹

I. PRELIMINARY STATEMENT

CTI holds a number of licenses in the 800 MHz Specialized Mobile Radio ("SMR") Service, with which CTI proposes to implement a wide-area trunked SMR network in the secondary markets located in the States of Iowa, Illinois, Indiana,

¹ The Second Further Notice was adopted and released on December 15, 1995. Initially, comments were due on January 16, 1996. However, due to the Commission's required shutdown due to the budget impasse, the dates by which comments were required to be filed were extended to February 15, 1996. See Order (DA 96-18), PR Docket No. 93-144, 10 FCC Rcd ____ (released January 16, 1996).

Michigan, Missouri, Minnesota, Ohio and Wisconsin ("Midwest SMR Network"). On February 27, 1995, the Commission granted an extended implementation authorization which provided CTI and its partner licensees, as set forth in Exhibit A hereto (collectively, "CTI"), a five-year period to construct and place in operation the Midwest SMR Network. Additionally, CTI is participating in other SMR operators wide-area digital SMR networks in other areas of the country. CTI is an affiliate of the Centennial Funds, a group of venture capital funds which have significant investments in various communications enterprises, and is confident that it has sufficient available financing to devote to the implementation of its wide-area network.²

CTI is concerned that the Commission's action in the associated First Report and Order may adversely impact the implementation of a wireless telecommunication network which may compete with the networks created with the Economic Areas ("EA") licenses. Since the grant of the extended implementation authorization, CTI has been planning and developing the proper technology platform and system design for its wide-area network to provide the best service to the consumer at the most economical price. The most critically, significant issue which has arisen in the past year is the functionality, performance, and availability of digital advanced technology originally selected to

² In many cases, the parties which will acquire EA licenses were provided a full five-year period in which to implement their wide area systems, and were, therefore, able to acquire the financing and investment to pursue the EA license. The Commission's reduction of the period in which wide-area SMR systems must now be placed in operation, significantly disadvantage incumbent licensees initiating such services because funding may not be as readily available based on the uncertainty of whether the incumbent licensee can effectively implement its network.

construct the infrastructure of the network. Systems which have been placed in operation using this type of advanced digital technology have experienced substantial difficulties in achieving the system quality and performance levels originally anticipated. These types of problems are not unusual in the initial deployment of innovative, complex technologies. Generally, when such problems exist, the focus of the vendor's efforts are on addressing the deficiencies in already operational systems rather than manufacturing additional equipment for new customers. The resulting delays, as well as the technical questions that have been raised about the system itself, have prompted CTI to reevaluate its intention to deploy this type of system technology. CTI is interested in emerging alternate technologies not only because of particular technical capabilities, but because CTI believes that its interests and those of the public will be better served if its offer an alternative technology to the other competitors.

CTI is committed to timely implementing its network, but is concerned that the Commission's regulatory changes to the licensing and operation of the 800 MHz frequencies in the 861/865 MHz band ("Upper 800 MHz SMR Band") may result in the consumer losing the benefits of CTI's extensive efforts in selecting a efficient, competitive technology, should CTI not be provided an opportunity to initiate its competitive service. Currently, 62% of the channels on which the CTI network design (comprised of approximately 1000 stations licensed among the various network participants) is based, are frequencies in the Upper 800 MHz SMR Band. Therefore, should CTI not be awarded the EA license in its specific markets, the EA licensee could easily thwart the efforts of CTI to provide a competitive system. Therefore, CTI takes

this opportunity to comment on several aspects of the Commission's proposal, primarily to ensure that EA licensees will be required to provide comparable facilities to incumbent CMRS providers on a system basis rather than on a selective call sign-by-call sign basis.

II. DISCUSSION

A. Commission's proposed definition of "comparable facilities"

Under the mandatory relocation scheme the Commission adopted in the First Report and Order, the Commission is requiring EA licensees to provide incumbents with "comparable facilities" as a condition for involuntary relocation. The Commission in the Second Further Notice tentatively concluded that comparable facilities, should provide the same level of service as the incumbents' existing facilities. By "comparable facilities" the FCC proposes that a relocated incumbent would: (a) receive the same number of channels with the same bandwidth; (b) have the entire system relocated, not just those frequencies desired by a particular EA licensee; and, (c) once relocated, have a 40 dBu service contour that encompasses all of the territory covered by the 40 dBu contour of its original system.³

B. CTI's Response to Commission's Proposal of "Comparable Facilities"

As the Commission has noted, the impact of wide-area licensing on incumbent licensees is a crucial issue in this proceeding.⁴ There are a large number of systems already authorized and operating in the 800 MHz band, particularly in major markets. Virtually all channels in major markets are either in use or under construction.

³ Second Further Notice at ¶ 283.

⁴ Second Further Notice at ¶ 32.

A more serious concern is to prevent the disruption and system redesign of licensees which have devoted substantial resources to planning and constructing integrated systems. Any provision for mandatory retuning must provide these licensees maximum protection. The Commission must clearly specify that the retuning process is not an opportunity for geographic licensees to reduce the competition it may receive from the incumbent CMRS providers.

1. Definition of "System"

The definition of "system" is a critical factor in determining whether an EA Licensee has provided "comparable facilities." to the incumbent licensees. As discussed above, CTI is integrating over one hundred sites, with an average of ten individually licensed stations at each site, throughout eight states to establish a unified system or network. Planning for a wide-area SMR network requires maximum flexibility in channelization, including the ability to reuse channels, and designate channels for signalling or control. CTI's implementation of a wide-area SMR network is dependent upon the integration of all the channels at a site, whether licensed to CTI or other participants in the network, to provide maximum flexibility and sufficient capacity in implementing the emerging wireless technologies. The Commission has also encouraged smaller operators to form consortiums or joint ventures to amass sufficient capacity to utilize emerging technologies and implement competitive wide-area networks comparable to those of larger companies.

Because of the prior licensing rules, CTI could not individually license the spectrum necessary to implement its wide-area system design, and was able to interest

a number of other CMRS licensees in participating in the network. CTI submits that even though the individual licenses at one site may be in several different names, the aggregate of the licensed frequencies at the site and the manner in which they are integrated into a wider network must be considered a "system."

The Commission, therefore, should prohibit an EA licensee from selectively retuning an incumbents' frequencies which have been integrated into a network design. To allow an EA license winner to attempt to retune incumbents on a "selective" or "individual channel basis" or "call sign-by-call sign basis" would be disastrous. If any retuning is to be done by a EA licensee, total retuning of a system must be done, and not "piecemeal retuning" of selected channels. The EA licensee should be required, at the option of the incumbent carrier(s) to retune all channels which comprise an integrated system, regardless of the party which holds the underlying license. In this way, EA licensees will neither be able to cherry-pick particularly attractive channels, nor subject integrated systems with unwarranted disruption by relocating only a few channels sufficient to render the incumbent's network frequency plan or equipment unworkable.

The adoption of the EA license will facilitate the implementation of wide-area networks and increase SMR competition with other CMRS carriers; however, the Commission must ensure that it does not undermine incumbent licensee's efforts to be equally competitive. A failure to recognize that most wide-area systems have been created by integration of a number of various licensee's individually licensed stations would be contrary to prior decisions of the Commission and may result in less competition in the wireless marketplace. The EA Licensee, therefore, must provide

"comparable facilities" based on the aggregate overall design of a network as opposed to the site-by-site, call sign-by-call sign designation.

2. Frequency Substitution

In the CMRS Third Report and Order⁵, the Commission determined that assigning contiguous spectrum is more likely to enhance the competitive potential of geographic area SMR providers. Contiguous spectrum grants provide the licensee more flexibility in the technologies that CMRS carriers can implement. CTI concurs with the Commission's determination and intends to implement its network on a system design that employs contiguous spectrum at the various base station locations throughout the network.

CTI currently is re-conforming its frequency re-use pattern and pursuing various acquisitions to provide for contiguous spectrum in sufficient quantities at the various site locations. CTI is acquiring such contiguous spectrum either (1) by the luck of random assignment by the FCC of frequencies at the various CTI sites and aggregation of a number of frequencies assigned to its existing partners and future partners and (2) by acquisition of incumbent systems. CTI concedes that in some areas, the opportunity to acquire contiguous spectrum in sufficient quantity for expected capacity requirements is not currently available to it by any means other than acquiring the EA license. Nonetheless, should CTI not be the EA license in an area and should CTI have undertaken the task of acquiring contiguous spectrum at a site in order to implement its

⁵ Third Report and Order, GN Docket No. 93-252, 9 FCC Rcd 7988 (1994) ("CMRS Third Report and Order).

system design, CTI foresees that an EA licensee could change the CTI's network construction schedule and system design if the EA licensee need only substitute frequency for frequency and not be required to provide a "like-kind" frequency for each of the stations integrated into the CTI network. With 62% of the channels currently assigned to CTI and its partners' stations, an EA Licensee could wreak havoc on CTI's ability to economically and timely implement its network should the Commission fail to recognize that a "system" may be comprised of stations licensed to various persons.

CTI suggests that the Commission consider the adverse impact on competition if 800 MHz frequencies are considered "generic." Generally, the substitution of one 800 MHz frequency for another 800 MHz frequency may be "comparable" unless the "new" frequency interferes with other licensees' stations located at the same site, increases recurring expenses that an incumbent licensee may have, or decimates the system design of a competitor. These factors must be considered in arriving at an equitable balance between the EA licensee's need to acquire "clean" contiguous spectrum and an incumbent licensee need to conduct its business.

The Commission has used the relocation scheme adopted in the PCS proceeding as the basis for the relocation plan in the First Report and Order. CTI agrees that some orderly process must be instituted, but the Commission should recognize that, for the most part, the incumbent microwave licensees required to be relocated by PCS licensees do not compete directly with the PCS licensee. The EA licensee and the incumbent licensee will compete for the same consumer. Thus, the Commission must ensure that the EA licensee is not provided an "edge" to acquire such business because it has been

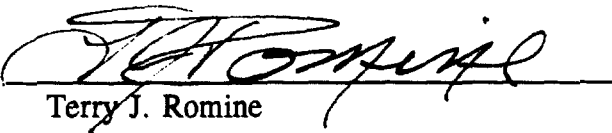
able to reduce its costs in relocation of the incumbent and increase the costs of the incumbent or eliminate the incumbent's ability to go forward with the implementation of its network.

For the reasons set forth above, CTI believes that the Commission must adopt a definition of "comparable facilities" to include the concept that 800 MHz frequencies are not generic. The incumbent system should receive "like" frequencies, in that spacing between frequencies should be maintained, whether that be contiguous or non-contiguous. The substitution of each frequency should (1) be transparent not only to the consumer, but to parties operating stations co-located with the incumbent, (2) not increase recurring monthly expenses for operation of the system and (3) not result in an incumbent carrier from implementing a system design based on an extended implementation authorization which includes stations licensed to other persons.

WHEREFORE, THE PREMISES CONSIDERED, Centennial Telecommunications, Inc. respectfully requests that the Commission take action consistent with the comments herein.

Respectfully submitted,

CENTENNIAL TELECOMMUNICATIONS, INC.

By: 
Terry J. Romine

Lukas McGowan Nace & Gutierrez, Chartered
1111 Nineteenth Street, N.W., Suite 1200
Washington, D.C. 20036
(202) 857-3500

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Exhibit A
CENTENTIAL TELECOMMUNICATIONS, INC.
MIDWEST SMR NETWORK PARTICIPANTS

Atlantic Cellular Company, L.P.

Boston Communications Capital Corp.

Cass Cable TV, Inc.

Dial Call, Inc.

Dowden Cable Management, L.P.

The Hawthorne Group

JCC Ltd.

Lahey, Kenneth

Palmer Communications Incorporated

Sportstracker, Inc.

Sunrise Communications, Inc.